



U.S. Department of Justice

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EVENT: Guilty Plea

Defendant: Richard Zaranek

**FORMER ELEMENTARY SCHOOL PRINCIPAL PLEADS GUILTY
TO EMBEZZLEMENT AND MONEY LAUNDERING**

A 56-year-old former elementary school principal pleaded guilty today to two counts of an Information charging him with embezzlement and money laundering, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Maurice Aouate, Special Agent In Charge of the Detroit Field Office of the Internal Revenue Service Criminal Investigation, Clinton Township Police Chief Al Ernst and Daniel D. Roberts, Special Agent In Charge of the Detroit Field Office of the Federal Bureau of Investigation.

Pleading guilty before U.S. District Judge John Feikens was Richard Zaranek of Grosse Pointe Farms, the former Principal of Cherokee Elementary School, located in Clinton Township.

The embezzlement and money laundering charges stem from Zaranek's theft from the child care program and parent-teacher organization at Cherokee Elementary School, which

amounted to almost \$400,000. The embezzlement occurred during Zaranek's tenure between March of 1996 and March of 2003. Zaranek laundered the money by funneling cash and checks through different school-related accounts, then wrote checks on those accounts to himself, personal creditors and personal investment accounts.

There is a plea agreement between the government and Zaranek. Under it, Zaranek agrees to a sentence of between 27 and 33 months imprisonment. Zaranek must also forfeit two properties located in Grosse Pointe Farms and Wales Township which were owned by him to reach the embezzled amount, namely, \$399,691.35. The two counts to which he pleaded guilty carry a total maximum sentence of 30 years imprisonment and a \$750,000 fine.

United States Attorney Murphy said, "Public integrity prosecutions are among the highest priorities of this Office. Stealing from public funds earmarked for children's programs are particularly egregious crimes. We will not let down our vigilance against these sorts of criminal acts and we will not relent in our efforts to ensure that all taxpayers get the honest service they deserve in return for the tax dollars they pay."

The investigation of this case was conducted by the Internal Revenue Service, Criminal Investigations Division, the Clinton Township Police Department and the Federal Bureau of Investigation. The case was prosecuted by Assistant U.S. Attorneys R. Michael Bullotta and Rita Foley.